

AN ORDINANCE

**99422**

**AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE SEGAL COMPANY TO PROVIDE UP TO AN ADDITIONAL \$20,000.00 IN CONSULTING SERVICES RELATED TO THE FIRE AND POLICE RETIREE HEALTHCARE FUND; AUTHORIZING A MODIFICATION TO THE SCOPE OF SERVICES OF THE AGREEMENT TO INCLUDE EMPLOYEE BENEFITS CONSULTING SERVICES RELATED TO HEALTH BENEFITS PLANS PROVIDED BY THE CITY IN AN AMOUNT NOT TO EXCEED \$25,000.00; APPROVING THE TERMS AND CONDITIONS OF THE AMENDMENTS TO THE AGREEMENT; AND AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED \$45,000.00.**

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**WHEREAS**, pursuant to Ordinance No. 97666, passed and approved on May 22, 2003, the City of San Antonio and The Segal Company entered into a Professional Services Agreement for Actuarial Services (hereinafter referred to as "Agreement"); and

**WHEREAS**, pursuant to the Agreement, The Segal Company was to provide the City with an actuarial valuation of the Fire and Police Retiree Healthcare Fund for a cost not to exceed \$30,000.00; and

**WHEREAS**, the actuarial study has been completed and the City has received final report and issued payment in the amount of \$30,000.00; and

**WHEREAS**, the Agreement provided for an additional \$20,000.00 in contingent additional services such as modeling related to changes in contributions, benefits, cost containment, and/or legislative review; and

**WHEREAS**, pursuant to the Agreement, Segal has rendered contingent additional services in the amount of \$12,000.00 that includes modeling on the interest rate assumption; claims cost comparison; modeling on the medicare assumption; updating of contribution rate information; updating of claims cost assumption for changes in fire and

police drug programs; reviewing and commenting on areas of potential impact to the Fund for the recent Medicare legislation; and modeling on medical trend rates; and

**WHEREAS**, the City desires Segal to render additional consulting services to conduct additional modeling of contribution and benefit levels and the review, analysis, and monitoring of legislation which may be proposed by the Board of Trustees of the Fire and Police Retiree Healthcare Fund for the next legislative session for an amount up to additional \$20,000.00 in contingent additional services related to the Fund; and

**WHEREAS**, the City also desire Segal to render employee benefits consulting services related to the health benefits plans provided by the City in an amount not to exceed \$25,000.00; and

**WHEREAS**, the amount of the amendments shall not to exceed \$45,000.00; **NOW THEREFORE**:

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager, or her designee, is hereby authorized to execute the Amendment to the Professional Services Agreement for Actuarial Services with The Segal Company to provide up to an additional \$20,000.00 in contingent additional services related to the Fire and Police Retiree Healthcare Fund and to provide employee benefits consulting services related to health benefits plans provided by the City in an amount not to exceed \$25,000.00, for a total not to exceed \$45,000.00. The modification to the scope of services and all terms and conditions contained in the Amendment are hereby approved. A copy of the Amendment to Professional Services Agreement for Actuarial Services, in substantially final form, is attached hereto and incorporated herein as Attachment I.

**SECTION 2.** The amount of \$20,000.00 is authorized to be encumbered in Fund 11-000000 (General Fund) in Index Code 665547, entitled Third Party Review and made payable to The Segal Company for additional consulting services relating to the Fire and Police Retiree Healthcare Fund.

**SECTION 3.** The budget in Index Code 488106, entitled Police Cited Claims, in Fund 75-002000, Employee Benefits Program, shall be reduced in the amount of \$25,000.00.

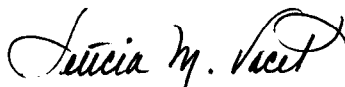
**SECTION 4.** The amount of \$25,000.00 shall be appropriated in Fund 75-002000, Employee Benefits Program, in Index Code 476564, Employee Benefits Consultants, and made payable to The Segal Company for consulting services related to health benefits plans provided by the City.

**SECTION 5.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or her designee, correct allocations to specific index codes and fund numbers as necessary to carry out the purpose of this Ordinance.

PASSED AND APPROVED this 24th day of June, 2004.

  
MAYOR  
EDWARD D. GARZA

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney